

U.S.A. electric co-operatives.....

There are more than 1000 electric co-operatives in the U.S.A.

- ♦ Electric co-operatives are owned by 12 million consumer members.
- ♦ The co-operatives serve more than 25 million people - homes, farms, schools, churches, irrigation systems and commercial enterprises.
- ♦ A typical co-operative is about 43 years old, with 2400 miles of line and serves approximately 22,000 people.
- ♦ High growth urban electric co-operatives have more than 100,000 member owners, and an annual revenue of more than \$U S 125 million each.
- ♦ The co-operatives own and maintain more than 2 million miles (44%) of power lines in the United States.
- ♦ The co-operatives generate about 47% of their own power requirements.

Working for members and their communities, the co-operatives have established:

- ♦ The National Rural Utilities Cooperative Finance Corporation - in 1969.
- ♦ The National Rural Telecommunications Co-operative - in 1986.
- ♦ The National Rural Health Network - in 1987.

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Electric co-operatives are us - not them.

An electric co-operative is formed when individual electric consumers (e.g., households, small business and farmers) join together to own and control an electric provider e.g.,

(a) a generation co-operative - generating power and selling this to distribution companies or directly to electric consumers ;
(b) a purchasing co-operative - purchasing power on behalf of members from distribution companies or power generators; and

(c) a distribution co-operative - buying and owning an electric distribution company such as United Energy.

Why form electric co-operatives?

The Victorian Government has abolished the State Electricity Commission and is committed to the privatisation of the electric industry - creating a co-operative opportunity for electric consumers.

What's so different about electric co-operatives?

A co-operative is member-driven rather than being driven by capital. The co-operative members invest their money as shareholders and use the co-operative's services. It is owned, controlled and used by its members. Each member has one vote irrespective of their usage of electric-

ity. Membership is open to all electric consumers. Co-operatives are politically neutral and bipartisan. The directors are elected from and by the members. A co-operative provides the best possible service and a regular rebate to members based on their electricity usage. Electric co-operatives work for their members and their communities.

What about capital in a co-operative?

Capital in a co-operative is a means to an end. The shares of a co-operative are not tradable on the stock exchange and investors cannot take over co-operatives. Foreign ownership is not possible. No member can own more than one-fifth of the total shares or a lesser amount if provided for in the rules. The return on shareholding in a co-operative is restricted to prevent exploitation or control of co-operatives by Australian and/or foreign investors.

Does a co-operative make a profit?

A co-operative meets its expenses, its financial obligations and puts at least 5% of its profit in a reserve fund. The profit of a co-operative is usually called a surplus because it is for the members - not investors.

Co-operative principles

All co-operatives have in common a set of timeless principles that have continued to inform their policies and practices since the 19thC:

1. Open Membership.
2. Democratic control.
3. Limited Interest on Share Capital.
4. Equitable Distribution of Surplus.
5. Co-operative Education.
6. Co-operation Between Co-operatives.

Co-operatives subordinate business techniques to ethical ideas. The co-operative way is a better way because it is based on member ownership, control and benefit.

David Griffiths
Secretary,
Co-operative Energy Ltd
71 Franciscan Avenue
Frankston, Victoria 3199
Tel: B/H (03) 9 629 3277
A/H (03) 9 775 5901
Fax: (03) 9 629 5523